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STUDENTS' STORY OF CO-OPERATION

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CO-OPS
are people
WORKING TOGETHER...

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FOREWORD

Co-operation has become an important form of business in Canada, particularly among the farmers of the West. In nearly every community there are co-operatives serving both producers and consumers. Some are small, while others rank among the large business enterprises of the nation.

Over one million Canadians are members of co-operatives and co-operative business totals \$1 billion each year. Close to one-third of all farm produce sold in Canada, and over half of the huge prairie grain crop is marketed by farmers through their own co-operative associations. Yet, despite this size and importance, many Canadians do not have an understanding or an appreciation of the co-operative way of doing business.

This pamphlet, "The Students Story of Co-operation," has been prepared to provide students with a brief introduction to co-operation — its principles, development and philosophy. Copies will be provided, free of charge, to students and teachers writing to the Publicity Department, Alberta Wheat Pool, Calgary.

HISTORY OF CO-OPERATION

Co-operation is as old as mankind for it is a natural tendency of people to help each other. Indeed, co-operation is much older than mankind for among the animal and insect world co-operation is evident on every hand. Have you ever watched a colony of ants at work? They provide a fine example of co-operation. Likewise the urge to co-operate is evident in many ways in our ordinary, everyday living. Neighbors help a farmer put a roof on his barn and he in turn helps them, or they come to each other's assistance when one is injured or disabled, by seeding or taking off his crop. In many districts of the province excellent examples of co-operation are evident in fine new community halls and skating rinks, built as a result of close community effort.

While sociologists agree that co-operation is a natural urge of man, its application to business, at least as we recognize it today, dates back only a relatively short time in the history of the human race. The rate at which it has spread throughout the world in little more than a century is a source of amazement to many, and a measure of the confidence a very large number of people place in the movement.

WHAT IS A CO-OPERATIVE?

In the very simplest of terms co-operation means "working together" or "helping one another." A co-operative is an association of persons who have joined together for this purpose. Here is a definition:

"A co-operative enterprise is one which is owned by the people who use its services; the control of which rests equally with all the members, and the gains of which are distributed to the members in proportion to the use they make of its services."

Farmers join together to form marketing co-operatives to handle and sell their produce; consumers unite to provide themselves with co-op stores from which to buy their groceries and other necessities of life; or people with like needs work together in providing themselves with a wide variety of services. Whatever form co-operatives take, or in whatever country they are found, they all have certain basic characteristics which set them apart from other forms of business. Strangely enough the basic principles to which most co-operatives adhere, were not outlined by eminent economists or learned scholars. Instead, they were set out a little over a century ago by a poverty-stricken, poorly educated group of industrial workers in Great Britain, often termed the "Rochdale Pioneers." The "Rochdale Principles," set out by this group of early co-operators, exist today in much the same form as they were laid down a hundred-odd years ago, and are still the basis for almost all commercial co-operative activity.

THE BIRTH OF MODERN CO-OPERATIVES

Co-operatives appear to have risen more or less simultaneously in several European countries about the end of the 18th century or the beginning of the 19th century. Scotland lays claims to the honor of having the first co-operative supply organization of which there is documentary evidence. This was the Fenwick Society of Weavers formed



These grain elevators at Boyle are among the 535 owned co-operatively by the nearly 50,000 members of the Alberta Wheat Pool.

back in 1761. Soon after other co-operatives were established in England, Scotland, Ireland and on the continent, but they were small and most were short-lived, mainly because a satisfactory formula for conducting business on a mutual basis had not been devised. The movement grew very slowly and gained little support or recognition.

Then in 1844 in a small industrial town in Lancashire, England, a group of desperately poor weavers laid plans for a co-operative which was to prove an inspiration and guide to co-operators to this day.

Conditions for the workers in those days were very difficult—hours were long and pay was exceedingly low. This small group of 28 Rochdale weavers decided their salvation lay in mutual action and, after much study, laid plans for their own co-operative association.

At considerable sacrifice they each managed to save \$5.00 which they pooled and with this they founded the Rochdale Equitable Pioneers Co-operative. The members, with their meager savings totalling only \$140, opened a small food store. The first days they had only flour and oatmeal on their shelves, but as the days went by other provisions were added. They saved money, got honest weight and measure, and learned to carry on a business for themselves. The idea soon caught on, and there was no looking back. At the end of the first year their membership increased to 74, paid-in capital was \$900, and total business for the year was \$3,550. A century later there were 44,000 members and a yearly business of well over \$3,250,000. Today that society is still in existence.

PRINCIPLES OF CO-OPERATION

What made the co-operative of the Rochdale Pioneers so successful, when previous co-operative efforts had mostly failed and those which survived had met with only mediocre success? The answer lies in a number of basic principles they set out. Today most co-operatives still adhere to these principles:

1. Democratic control.
2. Patronage refunds.
3. Limited return on capital.
4. Cash trading.
5. Open membership.
6. Strict neutrality.
7. Co-operative education.

DEMOCRATIC CONTROL

Co-operatives are controlled by the members which they serve. This is on the basis of "one member, one vote." Members meet periodically to decide on the policies of the co-operative, and at these meetings members have equal voting strength, regardless of their investment in the association or the extent of their business. This prevents any individual or small group from gaining control, and keeps the association operating in the best interests of the membership as a whole.

PATRONAGE REFUNDS

A basic principle of a co-operative is that earnings, over and above expenses, belong to the members who made them possible, and should be returned to them on the basis of their patronage or purchases. This is a distinctive co-operative characteristic.

A co-operative makes no profits. Instead, earnings are savings made by members doing business together. A patron benefits by the extent to which he or she makes use of the co-operative facilities or services. Thus one who annually does \$100 worth of business with a co-operative would receive a patronage dividend ten times as large as the member doing only \$10 worth of business a year, even though both might have the same amount of money invested in the business.

LIMITED RETURN ON CAPITAL

Co-operatives, like all businesses, must have money with which to operate. With co-operatives, capital receives no more than the prevailing rate of interest, and in some cases, no interest at all. Since co-operatives and their earnings belong to the member patrons, they have no profit to distribute to shareholders. Interest on the investment in a co-operative is usually just high enough to attract sufficient capital for successful operation. Thus there is no incentive for investors to gain control and influence policy.

Co-operatives are set up to provide a service, not to earn a profit for the owners.

CASH TRADING

Cash trading is encouraged, though this is not a universal practice. The purpose behind this principle is that where credit is extended, inequities are bound to exist. This is contrary to the co-operative ideal of equal treatment for everyone. Furthermore, there is some doubt as to whether this is a sound trading practice, and many co-operatives which have extended credit have run into financial difficulties.



Alberta Poultry Producers' plant in Edmonton.

OPEN MEMBERSHIP

Membership in a co-operative is open to anyone who can use the facilities or services of the organization, regardless of their race, creed, financial or social position. However, for convenience of operation credit unions usually limit their membership to a group with a common bond or interest such as those employed by a single firm, or members of a church or community.

STRICT NEUTRALITY

Co-operatives insist on strict neutrality on all religious or political matters. Furthermore, they insist on giving their members fair and equitable treatment and do not tolerate preferential service for some at the expense of others.

CO-OPERATIVE EDUCATION

Co-operatives should follow a continuous program of education in the principles, practices and purpose of co-operation, both among members and non-members. A co-operative can be no stronger than its members and so it is necessary that they be kept informed to enable them to make intelligent decisions on matters of policy and operation. It should also be an objective of the co-operative educational program to inform others of the ideals and philosophy of the movement. Every co-operative should set aside a portion of its earnings each year for this purpose.

CO-OPERATIVE METHODS DIFFERENT

There are a number of important differences between the objectives, financial setup, and methods of operation of co-operatives and ordinary forms of business. A few of the most important of these are briefly outlined in the table below.

	Co-operatives	Private Corporations
PURPOSE	To provide service and savings for member - patrons.	To provide a return on investment for owners.
OWNERSHIP	Rests with members who are the users of the services provided.	Rests with the shareholders who ordinarily are not the main users of the services.
CONTROL	Rests with member patrons on the basis of one member, one vote.	Rests with the shareholders on the basis of the number of shares each holds.
OPERATION	In the interests of member-patrons.	In the interests of the shareholders.
RETURNS ON CAPITAL	Limited return on capital invested.	No limit on the return from invested capital.
DISTRIBUTION OF EARNINGS	Divided among the member-patrons on basis of the patronage of each.	Divided among shareholders on the basis of the investment each has in the business.

TYPES OF CO-OPERATIVES

Co-operation has developed mainly along two rather distinct lines—consumer or supply co-operatives, and producer or marketing co-operatives. A third type, classed as service co-operatives, though still small in comparison, is steadily increasing in importance.

Although most of the early co-operative effort in other countries has been along consumer lines, in Canada the development of producers' co-operatives has far exceeded other types.

CONSUMER CO-OPERATIVES

Everyone is interested in getting the best value for money spent. Indeed, for a very large number of people careful buying is necessary for successful living. It is this desire to buy high quality goods at the lowest possible cost that prompted consumers to join together to form their own co-operative associations. Co-operative members readily concede the right to a fair return to those who contribute to the production of goods but they are determined not to pay unnecessary profits to anyone.

Consumer co-operatives are set up on a non-profit basis. The customary practice is to charge what is considered a "going" price for their merchandise, and then at the end of the year to allocate earnings to member patrons in proportion to their patronage.

Particular attention is paid to quality and the "Co-op" label is recognized as a symbol of goods of a high standard.



A shopper inspects "Co-op" label goods in one of Alberta's modern co-operative supermarkets.



Consumer-owned Co-op Store in Edmonton.

The consumer co-operative movement has made its greatest growth in European countries. In Great Britain, the home of the co-operative movement, more than 11 million of the 50 million people are co-operative members and co-operative business exceeds £1 billion annually.

Consumer co-operatives have set up their own wholesale organizations and have moved into the processing and manufacturing fields. They own modern bakeries, dairies, laundries, packing plants, creameries, tailoring workshops, farms, coal mines and many other factories manufacturing a wide variety of goods. In England and Wales alone the Co-operative Wholesale Society operates over 200 factories.

In Sweden co-operatives have established low prices and high quality and have effectively broken several powerful monopolies, including those in the manufacture of flour, light bulbs, rubbers and soap. About one in every two families in Sweden belongs to co-operatives.

In Denmark, Finland, the United States, France, and in Germany and Italy before the last war, consumer co-operation has made great strides.

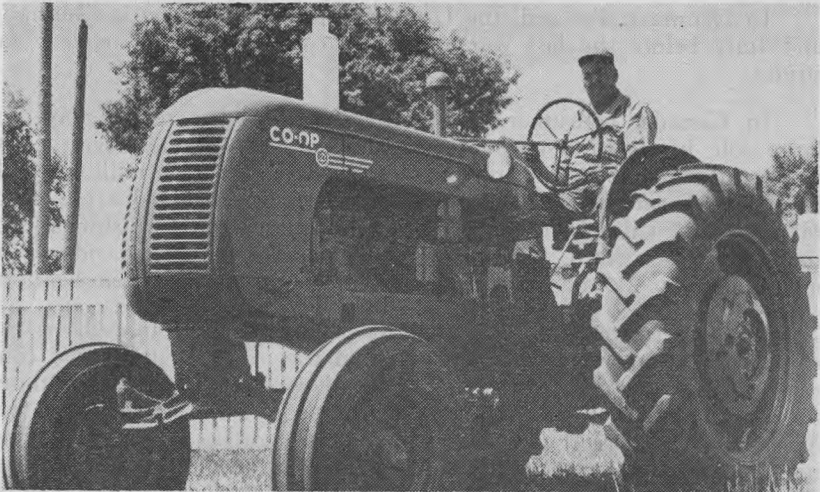
In Canada, consumer co-operatives have never really played a large role in the over-all retail business of the nation. Nevertheless, co-operative members are providing themselves with \$250 million worth of goods a year through their own associations. Included are a wide range of commodities such as groceries, clothing, home furnishings, petroleum products, feed, fertilizer, spray material, machinery and equipment, hardware, coal, wood and building materials, and many others.

Strangely enough, while in most of Europe the strength of the consumers' co-operative movement lies in the urban or industrial centers, in Canada few consumer co-operatives have flourished without the initiative and loyal support of farm people. In this country farmers have been the backbone of the co-operative movement. Here in Canada, too, co-operatives have moved into the wholesaling, manufacturing and processing fields and a wide variety of goods is marketed under the "Co-op" label.

CONSUMER CO-OPERATION IN ALBERTA

The history and development of the consumer co-operative movement in Alberta is sketchy but it is apparent that even before the province was formed the idea of co-operative buying was being tried out at a number of points. As early as 1899 there was a co-operative store operating in Lacombe with a branch at Ponoka. The store, like many other early attempts at co-operative buying, went out of business before long but district farmers continued to bring in farm supplies in carload lots. In the early days this practice became fairly common and was encouraged by the United Farmers of Alberta. In 1931 this farm organization decided to give leadership in organizing the buying of farm supplies through its locals. A number of associations were established which later merged with the U. F. A. Central Co-operative Association to form what is now known as the United Farmers of Alberta Co-operative. This organization, with headquarters in Calgary, covers the province with distributing agencies for gasoline, oil, and farm supplies, and is one of the province's large co-operative associations.

In the early years of the present century numerous co-operative stores were established in Alberta, mainly by farmers. For various reasons many did not survive. However, a significant number flourished and in 1928 fifteen of these joined to incorporate the Alberta Co-operative Wholesale Association Limited. Since that time the number of co-operative stores has continued to increase until there are now about 115 owned by the A. C. W. A. or affiliated with it. From a modest start in Edmonton in 1928 the A. C. W. A. has grown until today it maintains warehouses in Calgary and Edmonton and provides the co-op stores with a large proportion of their supplies.



A full line of "Co-op" implements is available.

In addition, there are several consumer co-operatives which have not affiliated with the wholesale association. Co-operative stores are now located in almost every city and major town in the province of Alberta.

Another large supply co-operative doing business in Alberta is Canadian Co-op Implements Limited. Organized in 1940 by prairie farmers, because of dissatisfaction over high machinery prices, C. C. I. L. now offers farm people a complete line of "Co-op" machinery. Some of this is manufactured in its own plant in Winnipeg and the remainder is secured from a large implement manufacturer and sold under the "Co-op" name.

PRODUCER OR MARKETING CO-OPERATIVES

Successful farming entails more than efficient production. Over the years farmers have learned through experience—some of it bitter—that hard work and long hours do not provide the assurance of a reasonable return. They must also receive a satisfactory price for their produce.

It is largely because of this desire to sell their goods at a fair price that farmers have turned to co-operatives. By pooling their resources and working together, they have overcome some of the disadvantages of selling in small quantities and have greatly improved their bargaining power. They have also lowered marketing costs, made large savings, and provided themselves with a high standard of service.

Today, efficient farm marketing co-operatives are found in every province in Canada. Farmers use them to market all kinds of produce—grain, wool, tobacco, honey, fruit, livestock, poultry, milk, butter, eggs, and so on. In 1955, the latest year for which figures are available, nearly a third of all farm produce marketed in Canada — over \$700,000,000 worth — was handled by producer co-operatives. The percentage of a few of the main commodities marketed co-operatively was as follows:

% of Total		% of Total	
Tobacco	90	Fruits and vegetables	20
Wool	89	Dairy products	23
Grain, hay, seed	60	Livestock	15
Maple products	45	Poultry and eggs	10
Honey	37		

Farm marketing co-operatives perform a wide variety of services, ranging from that of simply selling a member's produce right through the manufacturing, packaging and distribution processes and even include selling food products directly to the consumer. Regardless of the degree of the marketing process each offers, all producer co-operatives are designed to obtain fair prices for their members.

Many co-operatives place their own labels on the products they sell. A few of the more widely recognized brands of co-operative marketing associations are: Sunkist oranges and lemons; Diamond wal-

nuts; Welch's grape juice; Eatmor cranberries; Sun Rype juices; Alpha dairy products; Sun Maid butter; Pool flour; etc.

Co-operation among producers has become well established in the most advanced agricultural nations of the world. It is also significant that its development has been greatest in the democratic nations. Where there is an opportunity for people to have wide choices in the way they do business, co-operatives flourish.

The farmer co-operative movement is firmly implanted in Europe, particularly in the Scandinavian countries and Holland. Denmark takes pride in the fact that producer co-operation there is more advanced than in any other country in the world. Almost all the meat produced in Denmark and Sweden is processed in modern co-operative packing houses and the largest share of all dairy and poultry products is sold co-operatively.

In Latin-America and Asia co-operatives are steadily increasing in members and importance as governments encourage farmers to organize in order to improve their economic position.

The Food and Agriculture Organization of the United Nations supports the development of a strong co-operative movement to assist farmers in the less developed countries of the world.

In both Canada and the United States there has been an extensive development in the producer co-operative movement. It is particularly strong among the grain producers in the prairie provinces.

Farmers are not the only ones who have formed marketing co-operatives. Fishermen in every province of Canada except Alberta and Manitoba operate their own marketing associations.

A modern co-operative dairy in Calgary.





A co-operative egg hatching plant in Edmonton.

PRODUCER CO-OPERATIVES IN ALBERTA

Alberta farmers have proven to be good co-operators. In the last fifty years they have built up many large and useful marketing associations to handle all types of produce. To trace the development of each would require far more space than is available here so it must suffice to mention only a few of the more widely known. The fact that many are not mentioned is no reflection on their usefulness nor a gauge of their value to member patrons.

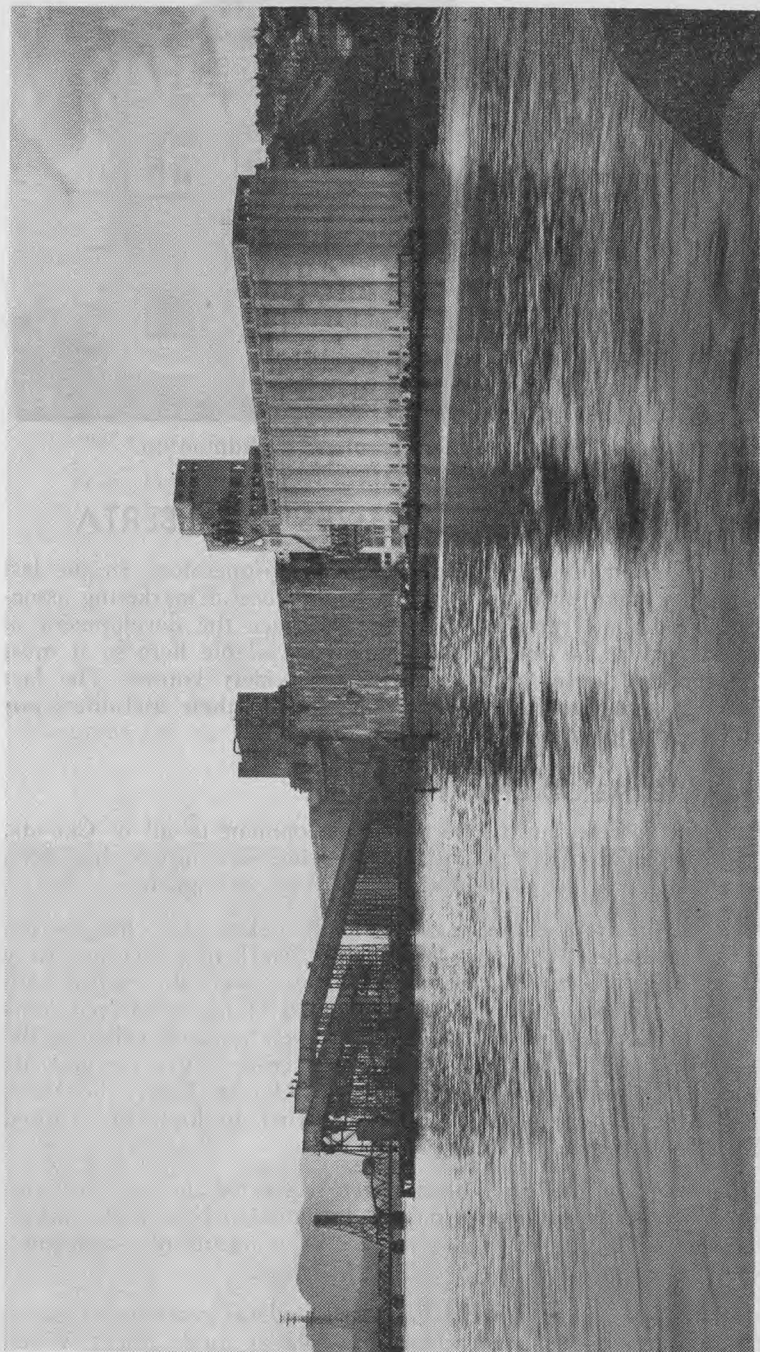
GRAIN MARKETING CO-OPERATIVES

The most spectacular co-operative development in all of Canada, and a movement that has gained world wide recognition, has been the self-help efforts of the grain producers of Western Canada.

About the turn of the century settlers flocked into the prairies, placing vast acreages into grain production. Marketing facilities were provided by private companies but many farmers were dissatisfied with the treatment and prices they received. In 1906 Manitoba farmers joined together to form their own marketing association and called it the Grain Growers' Grain Company. Soon after, co-operative elevator associations were set up in Saskatchewan and Alberta. Later, the Manitoba and Alberta organizations joined together to form the United Grain Growers' Limited.

While many of the early abuses were corrected, farmers still objected to selling their grain on a day-to-day auction basis and remained dissatisfied with the Winnipeg market as a means of establishing the prices for their grain.

For a short time after World War I the federal government maintained a marketing board and wheat was sold at stable prices. When this was disbanded in 1920 prices fell sharply and the financial condition of grain producers became critical.



The Alberta Wheat Pool's 7,300,000 bushel terminal in Vancouver; largest terminal elevator on tidewater in the world.

Unable to persuade the government to re-establish the Wheat Board, they turned to a voluntary pooling arrangement.

Alberta farmers led the way and in the autumn of 1923 they set up the Alberta Wheat Pool. The next year Saskatchewan and Manitoba farmers formed their own Wheat Pools. The three Pools set up their own selling agency with direct outlets in all the principal wheat importing countries of the world.

Members agreed to deliver all their wheat to the Pool and accepted an "average" price when the grain was sold. The plan worked out well and producers received improved prices until 1929-30 when the depression hit and markets throughout the world collapsed. With steadily falling prices it became necessary for the Pools to drop their direct selling methods and discontinue pooling operations.

In 1925, Alberta farmers built their first Pool country elevators. The system has since grown steadily until now it includes over 535 country elevators, and two terminals located at Port Arthur and Vancouver. The latter has a capacity of 7,300,000 bushels and is the largest on tidewater anywhere in the world.

While it was necessary to discontinue contract pooling operations in 1931, Pool elevators have continued to handle members' grain on a co-operative basis. Each year surplus earnings are returned to members in proportion to their deliveries to Pool elevators. By 1956, patronage dividends, representing a saving members have made by using their own facilities, had reached nearly \$20 million.

The Alberta Wheat Pool is entirely owned and controlled by its over 48,000 farmer members in Alberta and adjacent areas in British Columbia. The members exercise control through democratically-elected delegates. Through the Alberta Wheat Pool, farmers have continuously sought to improve elevator services and lower handling costs; to protect their marketing interests and avoid unfair treatment and exploitation; and to obtain stabilized prices at a fair and reasonable level.

The launching of the Wheat Pool movement encouraged farmers engaged in other lines of production to organize co-operatives for their own benefit.

OTHER FARMER CO-OPERATIVES

Alberta's dairy producers have built up large and effective marketing co-operatives. The Central Alberta Dairy Pool, was launched at Alix in 1928 when a group of dairy farmers bought out a small creamery. Gradually, other local plants were acquired until today this large co-operative, with over 40,000 members, operates plants at 22 locations, including a large condensary at Red Deer. It is also serving poultry producers at 18 locations in central and southern Alberta and operates a large poultry processing plant at Red Deer. The Northern Alberta Dairy Pool was started by farmers in the Edmonton district in 1928 and has progressively grown until it now has plants at 27 points. These two organizations distribute whole milk

in many towns and cities. They operate 9 cheese factories, and along with four local co-operatives, manufacture about two-thirds of the creamery butter produced in Alberta.

In the early days of the province farmers with livestock joined together in many parts of the province and formed their own shipping associations. They assembled and marketed the livestock, making the best deal possible for the owners. In 1940, a number of these associations agreed to come together and form the Alberta Livestock Co-operative. The 41 member shipping associations have retained their identity and the livestock from each is sold by the central body which maintains selling agencies at the Calgary and Edmonton stockyards. In 1955 the A. L. C. sold over 600,000 head of livestock worth \$32,000,000. Its main purpose is to secure the best possible market price for its members.

Seed growers, too, have their own marketing co-operative. The Alberta Seed Growers' Association, organized in 1941, collects, cleans and sells grain, grasses and legume seed to the best advantage of its members. It does a large volume of business each year.

Organized in 1941 to provide a producer-owned co-operative marketing service for poultry and eggs, the Alberta Poultry Producers Ltd., now has a membership of over 30,000 and plants at some 61 points in Alberta. Included are four hatcheries and three modern eviscerating plants.

Wool, vegetables, honey, furs are also marketed in large measure through producer-owned co-operatives.

SERVICE CO-OPERATIVES

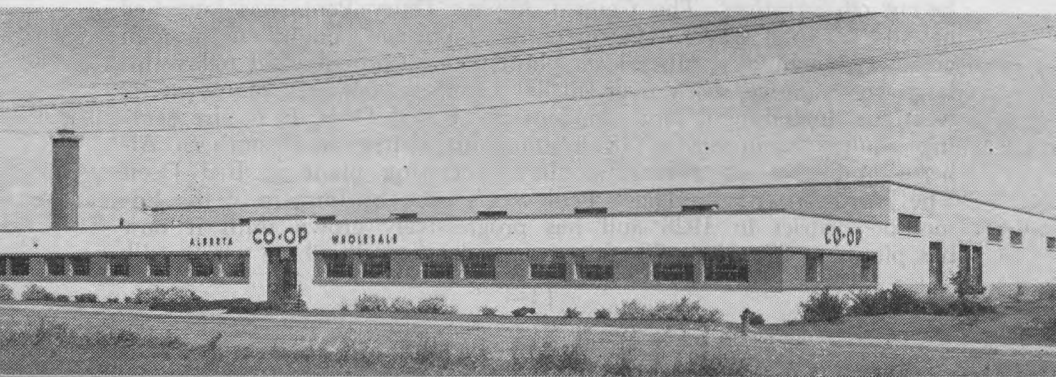
Service co-operatives enable people to help themselves in a number of ways, although their main development has been in the credit and insurance fields.

CREDIT UNIONS

Credit unions are co-operative savings and loan associations. They provide a democratically organized and controlled medium by which people pool their savings and make available to each other a fund from which loans may be made for "productive or provident" purposes.

Members receive a fair interest return on their savings and those who must borrow are able to do so at a reasonable rate of interest. Members are encouraged to save and at the same time are protected from high-rate money lenders. Membership is voluntary but is

Modern co-operative wholesale warehouse in Edmonton.



usually limited to those who have a common bond or occupation. Many are associations of workers in an industrial plant or office, while others are formed by lodge, community, church or occupational groups.

So useful have credit unions been to their members that the movement in Canada is growing rapidly. Thirty years ago credit unions were few in number and confined to the province of Quebec. Today, they number close to 4,000 and are located in every province. Their membership totals 1,500,000 persons and they have well over \$500,000,000 in assets. These assets all belong to the members who are ordinary working people. In Alberta, 50,000 people have more than \$13 million invested in over 230 credit unions.

CO-OPERATIVE INSURANCE

Co-operative insurance companies are steadily growing in Canada. In 1945, co-operators organized the Co-operative Life Insurance Company which now serves all provinces except Quebec where co-operators have their own insurance association. In 1954 these two co-operatives had over \$118 million insurance in force. A third association, CUNA Mutual Insurance Society, offers insurance to credit union members throughout North America.

Since 1953 Albertans have been able to get fire and automobile insurance on a co-operative basis. Co-operative Fire and Casualty Company now operates in eight provinces in Canada and though it was not organized until 1952, it wrote about \$1,000,000 worth of business in 1956. Its rate of growth has been amazing.

OTHER SERVICE CO-OPERATIVES

Other service co-operatives throughout Canada provide medical and hospitalization care, housing, transportation, recreation facilities, power, telephone, printing, feed grinding, seed cleaning, trucking facilities, etc.

In each case, members pool their resources and work together to provide themselves with the type and standard of service they desire at the lowest possible cost. Unnecessary expenses are eliminated and savings made.

FEDERATIONS OF AGRICULTURE

Farm marketing co-operatives in Alberta have joined together to form the Alberta Federation of Agriculture. Its activities are chiefly in the field of economic and social problems. The affiliated member bodies, some 45 in number, bring forward their findings or views on any particular matter affecting the welfare of farm people or the marketing of farm products and these are consolidated for presentation to the provincial or federal government.

In turn, the Alberta Federation is a member of the Canadian Federation of Agriculture which is made up of the federations of each province and represents farm people on the national level. Thus farm people, from all types of production, have through their co-operatives provided themselves with an influential organization, at all times seeking to advance the interests of agriculture.

The idea of unity among farmers were carried still further when in 1946 the International Federation of Agricultural Producers was set up. Its membership now includes national farm organizations from 26 different countries.

The broad objective of the IFAP is the same as the Canadian Federation of Agriculture: that is, to support agricultural policies that will promote the welfare of the farmer, make him secure in his occupation and make possible the fullest production and distribution of foodstuffs.

CO-OPERATIVE UNIONS

Most co-operative organizations in Alberta are members of the Co-operative Union of Alberta. This association is in turn a member of the Co-operative Union of Canada, which itself is a member of the International Co-operative Alliance. The principal objective of the Co-operative Union is to assist and encourage the development of co-operative enterprise.

The International Co-operative Alliance is an association of national co-operative unions comprised of 70 organizations in 35 countries and having a combined membership of over 120,000,000 people. It seeks to promote a non-profit system of production and trade, organized in the interests of the whole community and based on voluntary and mutual self-help.

Large co-operative creamery and condensery in Red Deer.



CO-OPERATIVES IN THE COMMUNITY

Co-operatives are good "citizens" and bear their full share of community responsibility. Often they take a leading part in community development and almost invariably men and women who are active in co-operative associations are leaders in their own districts. Then, too, co-operatives help to build better citizens. Ordinary people are given the opportunity to accept greater responsibility, to handle meetings and to conduct business, and in doing so they broaden their outlook and interests and acquire a better appreciation of the views of others.

Co-operatives are not without their critics. At times businessmen, and others, have expressed concern over the growth of co-operatives and opposition to their methods of operation. Often this is due to a misunderstanding of co-operative aims and objectives, and sometimes, because of the fear of losing business.

Once in a while the suggestion is made that co-operatives do not carry their tax load. The truth of the matter is that with a few very minor exceptions, co-operatives and other forms of business are governed by the same income tax regulations and all pay exactly the same municipal, provincial and other federal taxes.

Another frequent charge against co-operatives is that they are trying to drive out other forms of business. This is not true, but they are concerned with reducing the cost of buying or selling goods and with the maintenance of a high standard of service. This is to the advantage of both producer and consumer. Co-operatives seek to act as competitive "pace-setters" and to do this they endeavor to do a reasonable percentage of the business in an area.

While some people do not like co-operatives, on the whole the attitude toward them is friendly. Co-operation, as a "self-help" way of doing business, has received the support of many prominent people and organizations.

Most economists agree co-operation is a sound way of doing business. Co-operatives have been endorsed many times by political leaders and are encouraged by nearly all governments. Not long ago Rt. Hon. Louis St. Laurent, Prime Minister of Canada, said:

"If all nations were to approach the task of improving economic and social conditions both at home and beyond their borders in the same spirit that motivates the co-operative movement, a great contribution would be made to human welfare and real progress would be made towards the establishment of permanent world peace."

President Eisenhower, of the United States, said this of farmer co-operatives:

"The hope for improving the economic situation of most farmers lies in strengthening their organizations so as to be more effective in the market place.

"... Farmer co-operatives are shining examples of the self-help pioneering spirit that has made this nation great."



Headquarters and service station of the United Farmers of Alberta Co-operative in Calgary.

The labor movement has long recognized the economic and social importance of co-operation and encourages its members to participate in co-operative activities. Farm organizations, both in Canada and elsewhere, are invariably staunch supporters of co-operation and have sponsored many co-operatives among farm people. Endorsements of co-operatives have frequently come from most of the national church groups. Statesmen, humanitarians and world leaders see co-operation as one means by which the less fortunate people of the world may help to raise their standard of living. The Food and Agriculture Organization of the United Nations strongly supports co-operatives and is encouraging their development in many lands.

WHY PEOPLE FORM CO-OPERATIVES

People join together in co-operatives for both social and economic reasons. The economic reasons have mainly to do with savings and can be readily measured. The social reasons are based on human values and are far less tangible yet many people believe it is along these lines that co-operatives make their greatest contribution.

ECONOMIC BENEFITS

1. Co-operatives substitute the profit motive for that of service. Priority is given to the satisfaction of human needs.
2. They bring about a more equitable distribution of wealth as earnings are returned to those who use the services of the co-operative. Co-operatives have never brought wealth to any single individual but they have improved the economic position of their many members.
3. They provide protection against monopolies operating at the expense of the public. Sweden's co-operatives, for example, effectively broke monopolies in light bulbs and flour milling and reduced prices to the consumer. In any field where strong co-operatives exist there is no likelihood of exploitation.

4. They simplify the distribution system by eliminating unnecessary marketing expenses and duplication of services enabling the producer to get a larger share of the food dollar and the consumer to buy at lower prices. They provide a high standard of service.

5. Co-operation brings to the average person the advantages and economics of large-scale business. Many farmers, for example, feel they are able to sell more efficiently through co-operatives than if each was selling independently.

SOCIAL BENEFITS

1. Co-operation means "working together" and this, in turn, assures social contacts. People learn to work together in neighborly helpfulness and develop a spirit of teamwork. Co-operation is Christianity in the field of economics.

2. Through co-operatives people learn to do things for themselves. They develop the philosophy of self-help, and place less reliance on the state.

3. Co-operation promotes national and international peace, first by removing the seeds of war and internal unrest which are often economic in nature, and also by teaching men and nations to work together.

4. Co-operatives strengthen the personality of the individual. They make him aware of the problems of his neighbors and conscious of his community responsibilities.

5. Co-operatives enable people to protect their buying and selling interests and so remove the need for many government controls. They are a safeguard of our free enterprise system for there is no compulsion in co-operation.

WHAT OTHERS SAY ABOUT CO-OPERATIVES

Co-operation is the servant of every human activity which makes for a higher and nobler life. Its flag of the rainbow hues embraces all nations, all colors, all creeds. It makes human welfare the standard of all social thought and the satisfaction of human needs the foundation of a just economic order. Co-operation is a cause worthy of the support of all men, who believe in peace, goodwill, equity, happiness — in a word, the good life. — J. T. Hull, former secretary, Canadian Co-operative Wheat Producers.

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Co-ops are miniature democracies, controlled and directed by the people they serve — a training ground for good citizenship. — Hon. Paul Martin, Canada's Minister of Health.

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Co-operatives are more than just a way people can meet their own needs for goods and services, increase their incomes and improve their communities.

Deeper, wider, richer values come from taking part in them.

People learn to work together and help each other unselfishly regardless of skin color, religion, politics and economic standing.

They find out how to solve problems together which would be overwhelming if they faced them alone.

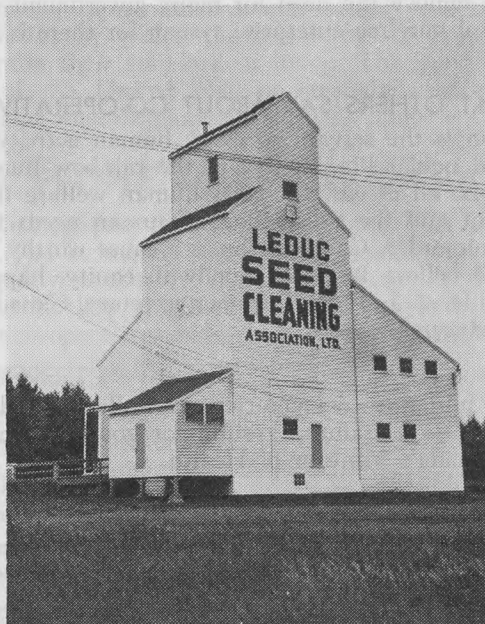
They learn to lead as well as to follow intelligently.

They discover that people on farms, in villages and in cities have many of the same problems and can work together to solve them so all will benefit.

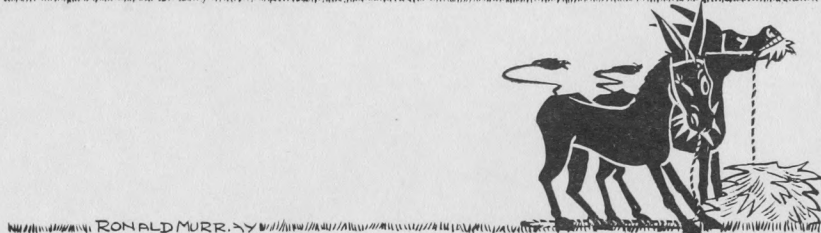
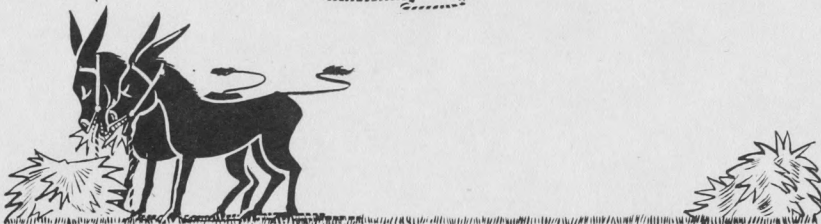
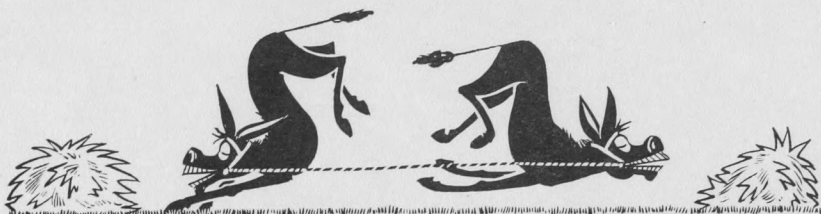
Co-operatives are living proofs that people are important. — Frank P. Graham, president, North Carolina University.

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Leading economists of today, both in England and the United States, men who have not at heart the interests of one class of society as against the other, but who look impartially upon economic affairs are, I think, pretty well one in the favor with which they view the co-operative movement as a movement exceptionally beneficial from the point of view of educating the mass of the people, from the point of view of enabling the mass of the people to improve their conditions and from the point of view of the general betterment and welfare of the people of the country. — Rt. Hon. W. L. Mackenzie King, former Prime Minister of Canada.



In many parts of the province co-operative seed cleaning plants have been established.



RONALD MURRAY

IT'S AN OLD STORY - CO-OPERATION IS BEST



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